Congress of the United States Washington, DC 20515

January 25, 2005

The Honorable George W. Bush President of the United States The White House 1600 Pennsylvania Ave, NW Washington, DC 20500

Dear President Bush:

We urge you to immediately release the remaining \$197 million in emergency Low-Income Home Energy Assistance Program (LIHEAP) funding provided in the fiscal year 2005 Consolidated Appropriations Act. Americans are facing record high prices for oil, natural gas, and propane this winter. These increases come on top of soaring energy prices over the past several years. Rising energy prices disproportionately burden low-income Americans who are also struggling to pay for higher food, housing and health care costs.

Record high crude oil prices are driving up the costs of heating oil, propane, and natural gas. Heating oil costs are expected to be 34 percent above last year's costs, while expenditures for propane-heated households are expected to increase about 22 percent this winter. Natural gas heating is expected to cost 9.4 percent more than last year. These increases far outpace the rate of inflation and are placing an overwhelming strain on family budgets.

The higher prices for heating oil, propane and natural gas have reduced the program's purchasing power and exceed any increase for inflation provided by Social Security for the elderly and Supplemental Security Income (SSI) for the disabled poor. This year's cost of living adjustment will be 2.1 percent, or about \$25 for Social Security and \$15 for SSI. According to recent data released by the Energy Information Administration, the cost for home heating will increase from \$953 to \$1,179 for heating oil, \$1,147 to \$1,404 for propane, and \$870 to \$950 for natural gas.

Nationally, residential heating oil prices averaged \$1.97 per gallon for the month of December, an increase of 51.6 cents from the previous December. The heating oil situation in New England is particularly acute. The average price per gallon of New England's heating oil in the first week of January was \$1.95 per gallon, with prices ranging from \$1.86 in Massachusetts to \$1.95 in Connecticut to \$2.03 in New Hampshire. The \$1.95 average represents an increase of 50 cents over the average price paid for heating oil in December 2003.

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Propane prices are also soaring. Nationally, the average price per gallon rose from \$1.38 last December to \$1.73 the first week in January, with consumers in Virginia paying \$1.90 a gallon for propane, and consumers in Rhode Island paying an average of \$2.25. In addition, over twenty natural gas utilities across the country are requesting rate increases. Utilities in Iowa, Virginia, Missouri and Wyoming, for example, are requesting or have had approved rate increases above 15 percent. Families are facing an energy emergency that requires an immediate response.

Many states already are overburdened due to rising demand for energy assistance. Faced with recent cuts in LIHEAP funding and growing demand, Connecticut has been forced to reduce LIHEAP eligibility this year, meaning about 13,000 fewer households will receive LIHEAP money this year. In Pennsylvania, a total of 160,369 households had their natural gas shut-off through October 2004, and only 86,403 households were reconnected. The total amount of overdue debt owed by Pennsylvania consumers through October 2004, was \$524 million -- \$23 million more than during the same time period in 2003. In Iowa, the energy burden this winter for LIHEAP households is estimated to be 9.8 percent of total household income, a 50 percent increase over the 2000/2001 winter.

Based on preliminary applications, requests for energy assistance are expected to exceed five million households this winter, the highest number in the last 10 years. Without emergency assistance, these families will face impossible choices this winter: whether to heat their homes or to eat; whether to buy prescription drugs or to pay their electricity bill; or, whether to pay their rent or mortgage or to buy home heating oil. Unfortunately, these are the real choices that face low-income families, disabled Americans and seniors when energy prices are unaffordable.

Current energy costs and energy debt remaining from last winter are leading to increased disconnections and arrears among consumers as the winter heating season begins, threatening the well-being of families and seniors. Emergency funding is needed immediately to help low-income families and seniors restore disconnected utility service and to ensure affordable heat for their homes. We therefore believe the winter heating crisis facing low-income Americans warrants the immediate release of emergency LIHEAP assistance. Thank you for your attention to this important request.

Sincerely,

ROSA L. DELAURO

BERNARD SANDERS

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